Table 1

Revenue Requirement for the Bankruptcy Regulatory Asset

				(Millions o	of Dollars)				
Reg. Asset Rev. Req.	<u> 2005</u>	<u>2006</u>	<u>2007</u>	2008	2009	<u> 2010</u>	<u> 2011</u>	<u> 2012</u>	<u>Total</u>
Interest	42.2	42.6	37.7	32.7	27.7	21.5	13.6	4.7	222.7
Preferred Div	2.5	2.3	2.1	1.8	1.5	1.1	0.7	0.2	12.2
Earning for Common	99.6	92.7	82.8	71.5	58.8	44.4	28.2	9.8	487.8
Tax Gross-up on Preferred &									
Common Equity Return	70.3	65.3	58.4	50.4	41.5	31.3	19.9	6.9	343.9
Pre Tax Rate of Return	214.6	202.8	180.9	156.4	129.4	98.3	62.4	21.6	1,066.5
Principal Amortization	143.9	159.9	180.9	204.5	231.1	261.3	295.9	335.1	1,812.6
Subtotal	358.5	362.7	361.8	361.0	360.5	359.7	358.3	356.8	2,879.1
Tax Gross-up on Amortization	98.9	110.0	124.4	140.7	158.9	179.7	203.5	230.5	1,246.7
Subtotal	457.4	472.7	486.2	501.6	519.4	539.4	561.8	587.2	4,125.8
F&U	4.6	4.7	4.9	5.0	5.2	5.4	5.6	5.9	41.3
Total Rev Req.	462.0	477.4	491.1	506.6	524.6	544.8	567.5	593.1	4,167.1
Reg. Asset Balance									
BOY Reg. Asset Bal	1,812.6	1,668.8	1,508.9	1,328.0	1,123.5	892.4	631.1	335.1	
Reg. Asset Credit									
Amortization	-143.9	-159.9	-180.9	-204.5	-231.1	-261.3	-295.9	-335.1	-1,812.6
EOY Reg. Asset Balance	1,668.8	1,508.9	1,328.0	1,123.5	892.4	631.1	335.1	0.0	

Assumptions								
BoY 2005 Reg. Asset: \$1.8	3126 billion							
Remaining Period: 8 years								
Tax Rate 40.75%								
F&U Rate 1.00%								
Cap Structure	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt	46.8%	45.8%	45.7%	45.8%	45.8%	45.8%	45.8%	45.8%
Preferred	2.3%	2.2%	2.3%	2.2%	2.2%	2.2%	2.2%	2.2%
Equity	51.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Capital								
Debt	5.2%	5.8%	5.8%	5.8%	6.0%	6.2%	6.2%	6.2%
Preferred	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Equity	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%
Post-Tax Weighted								
Average Cost of Capital	8.3%	8.7%	8.6%	8.6%	8.7%	8.8%	8.8%	8.8%
Pre-Tax Weighted								
Average Cost of Capital	12.2%	12.7%	12.7%	12.7%	12.7%	12.8%	12.8%	12.8%

Table 2

Series 1 Bond Revenue Requirement

(Millions of Dollars)

Assumptions Securitization Date: 1/1/05 AMOUNT: 1,812.6 Issuance Costs: \$10.8 Bond Interest Rate: 4.98% Period (years): 8 Issuance Fees 0.00% 40.75% Tax Rate: F&U Rate: 1.00%

Without Issuance Costs									
	<u> 2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u> 2010</u>	<u> 2011</u>	<u> 2012</u>	<u>Total</u>
Beginning of Year Balance	1,812.6	1,622.7	1,423.3	1,213.9	994.2	763.5	521.2	267.0	
Principal Payment	190	199	209	220	231	242	254	267	1,812.6
Interest Payment	85.5	75.8	65.7	55.0	43.8	32.0	19.6	6.6	384.1
Total Debt Service	275	275	275	275	274	274	274	274	2,196.7
Tax Gross-up on Principal	131	137	144	151	159	167	175	184	1,246.7
F&U	4	4	4	4	4	4	4	5	34
Revenue Requirement	410	417	<i>4</i> 23	430	438	445	<i>4</i> 53	462	3,477.8
With Issuance Costs	2005	2006	2007	2008	2009	<u> 2010</u>	<u> 2011</u>	<u>2012</u>	Total
Beginning of Year Balance Plus: Issuance Costs	1,812.6 10.8	1,632.4	1,431.8	1,221.2	1,000.1	768.0	<u>524.4</u>	268.5	
Total	1,823.5								
Principal Payment	191.1	200.6	210.6	221.1	232.1	243.7	255.8	268.5	1,823.5
Interest Payment	86.1	76.3	66.1	55.3	44.0	32.2	19.7	6.7	386.4
Total Debt Service	277	277	277	276	276	276	276	275	2,209.8
Tax Gross-up on Principal	131	138	145	152	160	168	176	185	1,254.1
F&U	4	4	4	4	4	4	5	5	35
Revenue Requirement	413	419	<i>4</i> 26	433	440	448	456	465	3,498.6

Table 3
Series 2 Bond Revenue Requirement
(Millions of Dollars)

Assumptions	
Securitization Date	1/1/06
AMOUNT	\$1,116
Issuance Costs	\$10.8
Securitization Rate	5.58%
Period (years)	7
Issuance Fees	0.00%
Tax Rate	40.75%
F&U Rate	1.00%

Without Isuance Costs								
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u> 2010</u>	<u> 2011</u>	<u> 2012</u>	<u>Total</u>
Beginning of Year Balance	1,116	981	839	689	531	363	187	
Principal Payment	135	142	150	158	167	177	187	1,116
Interest Payment	58.5	50.8	42.6	34.0	24.9	15.3	5.2	231.4
Total Debt Service	193	193	193	192	192	192	192	1,347
Total Debt Gervice	193	190	190	132	132	132	132	1,547
Deferred Tax Balance BOY	-1,116	-981	-839	-689	-530	-363	-187	
Deferred Tax Balance Amortiz.	135	142	150	158	167	177	187	1,116
Mid Year Deferred Tax Balance	-1,049	-910	-764	-610	-447	-275	-93	•
Carrying Cost Credit Rate	12.7%	12.7%	12.7%	12.7%	12.7%	12.8%	12.8%	
Carrying Cost Credit	-133	-115	-97	-77	-57	-35	-12	-526
, -								
Principal Gross-up Offset	-135	-142	-150	-158	-167	-177	-187	-1,116
F&U	-0.8	-0.7	-0.6	-0.5	-0.3	-0.2	-0.1	-3.1
Net Revenue Requirement	-75.1	-65.0	-54.6	-43.6	-32.3	-20.1	-6.8	-297.6
With Isuance Costs								
With Isuance Costs	2006	2007	2008	2009	2010	2011	2012	Total
	<u>2006</u> 1 116	<u>2007</u> 991	<u>2008</u> 847	<u>2009</u> 696	<u>2010</u> 536	<u>2011</u> 367	<u>2012</u> 189	<u>Total</u>
Beginning of Year Balance	1,116	2007 991	2008 847	2009 696	2010 536	2011 367	2012 189	<u>Total</u>
Beginning of Year Balance Issuance Costs	1,116 10.8							<u>Total</u>
Beginning of Year Balance Issuance Costs Total	1,116 10.8 1,127	991	847	696	536	367	189	
Beginning of Year Balance Issuance Costs Total Principal Payment	1,116 10.8 1,127 136	991 144	847 152	696 160	536 169	367 178	189 188	1,127
Beginning of Year Balance Issuance Costs Total Principal Payment Interest Payment	1,116 10.8 1,127 136 59.1	991 144 51.3	847 152 43.1	696 160 34.4	536 169 25.2	367 178 15.5	189 188 5.3	1,127 233.7
Beginning of Year Balance Issuance Costs Total Principal Payment	1,116 10.8 1,127 136	991 144	847 152	696 160	536 169	367 178	189 188	1,127
Beginning of Year Balance Issuance Costs Total Principal Payment Interest Payment	1,116 10.8 1,127 136 59.1	991 144 51.3	847 152 43.1	696 160 34.4	536 169 25.2	367 178 15.5	189 188 5.3	1,127 233.7
Beginning of Year Balance Issuance Costs Total Principal Payment Interest Payment Total Debt Service	1,116 10.8 1,127 136 59.1	991 144 51.3 195	152 43.1 195	160 34.4 194	536 169 25.2 194	367 178 15.5 194	189 188 5.3 194	1,127 233.7
Beginning of Year Balance Issuance Costs Total Principal Payment Interest Payment Total Debt Service Deferred Tax Balance BOY	1,116 10.8 1,127 136 59.1 195	991 144 51.3 195 -981	152 43.1 195 -839	696 160 34.4 194 -689	536 169 25.2 194 -530	367 178 15.5 194 -363	189 188 5.3 194 -187	1,127 233.7 1,360
Beginning of Year Balance Issuance Costs Total Principal Payment Interest Payment Total Debt Service Deferred Tax Balance BOY Deferred Tax Balance Amortiz.	1,116 10.8 1,127 136 59.1 195 -1,116 135	991 144 51.3 195 -981 142	152 43.1 195 -839 150	696 160 34.4 194 -689 158	536 169 25.2 194 -530 167	367 178 15.5 194 -363 177	189 188 5.3 194 -187 187	1,127 233.7 1,360
Beginning of Year Balance Issuance Costs Total Principal Payment Interest Payment Total Debt Service Deferred Tax Balance BOY Deferred Tax Balance Amortiz. Mid Year Deferred Tax Balance	1,116 10.8 1,127 136 59.1 195 -1,116 135 -1,049	991 144 51.3 195 -981 142 -910	152 43.1 195 -839 150 -764	696 160 34.4 194 -689 158 -610	536 169 25.2 194 -530 167 -447	367 178 15.5 194 -363 177 -275	188 5.3 194 -187 187 -93	1,127 233.7 1,360
Beginning of Year Balance Issuance Costs Total Principal Payment Interest Payment Total Debt Service Deferred Tax Balance BOY Deferred Tax Balance Amortiz. Mid Year Deferred Tax Balance Carrying Cost Credit Rate	1,116 10.8 1,127 136 59.1 195 -1,116 135 -1,049 12.2%	991 144 51.3 195 -981 142 -910 12.7%	847 152 43.1 195 -839 150 -764 12.7%	696 160 34.4 194 -689 158 -610 12.7%	536 169 25.2 194 -530 167 -447 12.7%	367 178 15.5 194 -363 177 -275 12.8%	189 188 5.3 194 -187 187 -93 12.8%	1,127 233.7 1,360 1,116
Beginning of Year Balance Issuance Costs Total Principal Payment Interest Payment Total Debt Service Deferred Tax Balance BOY Deferred Tax Balance Amortiz. Mid Year Deferred Tax Balance Carrying Cost Credit Rate	1,116 10.8 1,127 136 59.1 195 -1,116 135 -1,049 12.2%	991 144 51.3 195 -981 142 -910 12.7%	847 152 43.1 195 -839 150 -764 12.7%	696 160 34.4 194 -689 158 -610 12.7%	536 169 25.2 194 -530 167 -447 12.7%	367 178 15.5 194 -363 177 -275 12.8%	189 188 5.3 194 -187 187 -93 12.8%	1,127 233.7 1,360 1,116
Beginning of Year Balance Issuance Costs Total Principal Payment Interest Payment Total Debt Service Deferred Tax Balance BOY Deferred Tax Balance Amortiz. Mid Year Deferred Tax Balance Carrying Cost Credit Rate Carrying Cost Credit	1,116 10.8 1,127 136 59.1 195 -1,116 135 -1,049 12.2% -128	991 144 51.3 195 -981 142 -910 12.7% -115	152 43.1 195 -839 150 -764 12.7% -97	696 160 34.4 194 -689 158 -610 12.7% -77	536 169 25.2 194 -530 167 -447 12.7% -57	367 178 15.5 194 -363 177 -275 12.8% -35	188 5.3 194 -187 187 -93 12.8% -12	1,127 233.7 1,360 1,116

Table 4

Bond Savings Before Other Costs (Millions of Dollars)

Without Issuance Costs			0.09						
	<u> 2005</u>	<u> 2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u> 2010</u>	<u> 2011</u>	<u> 2012</u>	<u>Total</u>
Reg. Asset Revenue Requirement	462	477	491	507	525	545	567	593	4,167
Rev. Req. 1st Series of Bonds	410	417	423	430	438	445	453	462	3,478
Rev. Req. 2nd Series of Bonds		<i>-75</i>	-65	-55	-44	-32	-20	-7	-298
Net Bond Revenue Requirement	410	341	358	376	394	413	433	<i>45</i> 5	3,180
Annual Savings from Bonds	52	136	133	131	131	132	134	138	987
Cumulative Annual Savings	52	188	321	452	583	714	849	987	
Present Value of Annual									
Savings @ 9.0%:	47.5	114.5	102.6	92.9	85.0	78.7	73.4	69.3	663.9
VAP 41. 1			0.00						
With Issuance Costs	0005	0000	0.09	0000	0000	0040	0011	0040	T - 4 - 1
	<u>2005</u>	<u>2006</u>	<u> 2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	Total
With Issuance Costs Reg. Asset Revenue Requirement	2005 462	<u>2006</u> 477		2008 507	2009 525	2010 545	2011 567	2012 593	<u>Total</u> 4,167
			2007 491 426						
Reg. Asset Revenue Requirement	462	477	2007 491	507	525	545	567	593	4,167
Reg. Asset Revenue Requirement Rev. Req. 1st Series of Bonds	462	477 419	2007 491 426	507 433	525 440	545 448	567 456	593 465	3,499
Reg. Asset Revenue Requirement Rev. Req. 1st Series of Bonds Rev. Req. 2nd Series of Bonds	462	477 419 -69	2007 491 426 -63	507 433 -53	525 440 -42	545 448 -30	567 456 -18	593 465 -5	4,167 3,499 -280
Reg. Asset Revenue Requirement Rev. Req. 1st Series of Bonds Rev. Req. 2nd Series of Bonds Net Bond Revenue Requirement	462 413 413	477 419 -69 350	2007 491 426 -63 362	507 433 -53 380	525 440 -42 398	545 448 -30 417	567 456 -18 438	593 465 -5 460	3,499 -280 3,219
Reg. Asset Revenue Requirement Rev. Req. 1st Series of Bonds Rev. Req. 2nd Series of Bonds Net Bond Revenue Requirement Annual Savings	462 413 413 49	477 419 -69 350 127	2007 491 426 -63 362 129	507 433 -53 380 127	525 440 -42 398 126	545 448 -30 417 127	567 456 -18 438 130	593 465 -5 460 134	3,499 -280 3,219

Table 5 Present Value of Certain Bond-Related Costs

Upper Range of Costs	i								
Year	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
Service Fee	\$906,322	\$3,660,750	\$3,660,750	\$3,660,750	\$3,660,750	\$3,660,750	\$3,660,750	\$3,660,750	\$26,531,572
Bond Trustee Fee	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	<u>\$15,000</u>	\$15,000	<u>\$15,000</u>	\$120,000
Subtotal	\$921,322	\$3,675,750	\$3,675,750	\$3,675,750	\$3,675,750	\$3,675,750	\$3,675,750	\$3,675,750	\$26,651,572
Discount Factor	1.00	1.09	1.1881	1.295029	1.41158161	1.538623955	1.677100111	1.828039121	
Present Value									
as of 1/1/2005	\$921,322	\$3,372,248	\$3,093,805	\$2,838,353	\$2,603,994	\$2,388,985	\$2,191,730	\$2,010,761	\$19,421,199

Assumptions

Service Fee and Bond Trustee Fee Paid on January 1st of Each Year.

Annual Servicing Fee = 0.05% the First Year and 0.125% in All Other Years Multiplied by the Amount of Bond Principal Shown in Tables 2 and 3.

Third-Party Servicer Begins Billing, Collecting, and Remitting the DRC on January 1, 2005, and Ends on December 31, 2012. Bond Trustee Fees Estimated by PG&E.

Discount Factor = 9%, the Same as Used by PG&E in A.04-07-032 to Determine the NPV of the Bond Benefits.

Lower Range of Costs

Editor Italigo or docto									
Year	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
Service Fee	\$906,322	\$1,464,300	\$1,464,300	\$1,464,300	\$1,464,300	\$1,464,300	\$1,464,300	\$1,464,300	\$11,156,422
Bond Trustee Fee	\$15,000	\$15,000	\$15,000	<u>\$15,000</u>	\$15,000	\$15,000	\$15,000	<u>\$15,000</u>	\$120,000
Subtotal	\$921,322	\$1,479,300	\$1,479,300	\$1,479,300	\$1,479,300	\$1,479,300	\$1,479,300	\$1,479,300	\$11,276,422
Discount Factor	1.00	1.09	1.1881	1.295029	1.41158161	1.538623955	1.677100111	1.828039121	
Present Value									
as of 1/1/2005	\$921,322	\$1,357,156	\$1,245,097	\$1,142,291	\$1,047,973	\$961,443	\$882,058	\$809,228	\$8,366,570

Assumptions

Service Fee, Bond Trustee Fee, and Issuance Costs Paid on January 1st of Each Year.

Annual Servicing Fee for All Years = 0.50% of the Amount of Bond Principal shown in Tables 2 and 3.

Bond Trustee Fees Estimated by PG&E.

Discount Factor = 9%, the Same as Used by PG&E in A.04-07-032 to Determine the NPV of the Bond Benefits.

	Upper Range	Lower Range
Present Value of Bond		
Benefits with Issuance Costs	\$637,231,150	\$637,231,150
Less: Present Value of Other Costs	\$19,421,199	\$8,366,570
Net Present Value	\$617,809,951	\$628,864,580
	·	
	Upper Range	Lower Range
Nominal Value of Bond		
Benefits with Issuance Costs	\$948,519,852	\$948,519,852
Less: Nominal Value of Other Costs	\$26,651,572	\$11,276,422
Net Nominal Value	\$921,868,279	\$937,243,429

182137 Appendix A

Table 6

Series 1 Bond Revenue Requirement Worst Case Tax Scenario

(Millions of Dollars)

Assumptions

All federal income taxes and State franchise taxes paid in first year.

Securitization Date: 1/1/05

AMOUNT: 1,812.6
Issuance Costs: \$10.8
Bond Interest Rate: 4.98%
Period (years): 8

Issuance Fees 0.00% Tax Rate: 40.75% F&U Rate: 1.00%

Without Issuance Costs									
	<u> 2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u> 2010</u>	<u> 2011</u>	<u> 2012</u>	<u>Total</u>
Beginning of Year Balance	1,812.6	1,622.7	1, 4 23.3	1,213.9	994.2	763.5	521.2	267.0	
B: : 1B : :	100.0	400.4	0000	0.40.0	000.7	0.40.0	0540	007.0	4 040 0
Principal Payment	189.9	199.4	209.3	219.8	230.7	242.2	254.3	267.0	1,812.6
Interest Payment	85.5	75.8	65.7	55.0	43.8	32.0	19.6	6.6	384.1
Total Debt Service	275.5	275.3	275.0	274.8	274.5	274.2	273.9	273.6	2,196.7
Tax Gross-up on Principal	130.6	0	0	0	0	0	0	0	130.6
F&U	4.1	2.8	2.8	2.7	2.7	2.7	2.7	2.7	23.3
Revenue Requirement	410	278	278	278	277	277	277	276	2,350.6
•									,
With Issuance Costs									
With issuance oosts	2005	2006	2007	2008	2009	<u>2010</u>	<u> 2011</u>	<u> 2012</u>	Total
Beginning of Year Balance				2000	2003	2010			
Degining of Tear Dalance		1 632 1	1 121 8	1 221 2	1 000 1				<u>rotar</u>
Plue: Jeauanee Coste	1,812.6	1,632.4	1,431.8	1,221.2	1,000.1	768.0	<u>524.4</u>	268.5	<u>rotar</u>
Plus: Issuance Costs	10.8	1,632.4	1,431.8	1,221.2	1,000.1				<u>10tai</u>
Total	10.8 1,823.5	ŕ		·	ŕ	768.0	524.4	268.5	
Total Principal Payment	10.8 1,823.5 191.1	200.6	210.6	221.1	232.1	768.0 243.7	524.4 255.8	268.5 268.5	1,823.5
Total	10.8 1,823.5	ŕ		221.1 55.3	232.1 44.0	768.0	524.4	268.5 268.5 6.7	1,823.5 386.4
Total Principal Payment	10.8 1,823.5 191.1	200.6	210.6	221.1	232.1	768.0 243.7	524.4 255.8	268.5 268.5	1,823.5
Total Principal Payment Interest Payment Total Debt Service	10.8 1,823.5 191.1 86.1 277	200.6 76.3	210.6 66.1	221.1 55.3	232.1 44.0	768.0 243.7 32.2	524.4 255.8 19.7	268.5 268.5 6.7	1,823.5 386.4 2,209.8
Total Principal Payment Interest Payment	10.8 1,823.5 191.1 86.1	200.6 76.3 277	210.6 66.1 277	221.1 55.3 276	232.1 44.0 276	243.7 32.2 276	255.8 19.7 276	268.5 268.5 6.7 275	1,823.5 386.4

Table 7 Series 2 Bond Revenue Requirement Worst-Case Tax Scenario

(Millions of Dollars)

Assumptions

All Bond proceeds used to pay federal income taxes and State franchise taxes in the first year. Anount of Bonds \$1,116 **Issuance Costs** \$10.8 Securitization Rate 5.58% Period (years) Issuance Fees 0.00% Tax Rate 40.75% F&U Rate 1.00%

With	Out	Isuance	Coete
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	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u> 2010</u>	<u> 2011</u>	<u> 2012</u>	<u>Total</u>
Beginning of Year Balance	1,116	981	839	689	531	363	187	
Principal Payment	135	142	150	158	167	177	187	1,116
Interest Payment	58.5	50.8	42.6	34.0	24.9	15.3	5.2	231.5
Total Debt Service	193	193	193	193	192	192	192	1,347
Deferred Tax Balance BOY	-1,116	0	0	0	0	0	0	
Deferred Tax Balance Amortiz.	-1,116	0	0	0	0	0	0	-1,116
Mid Year Deferred Tax Balance	0	0	0	0	0	0	0	
Carrying Cost Credit Rate	12.2%	12.7%	12.7%	12.7%	12.7%	12.8%	12.8%	
Carrying Cost Credit	0	0	0	0	0	0	0	0
Principal Gross-up Offset	0	0	0	0	0	0	0	0
F&U	1.9	1.9	1.9	1.9	1.9	1.9	1.9	13.5
Net Revenue Requirement	195.1	194.9	194.7	194.4	194.2	193.9	193.6	1,361
With Isuance Costs								
	2006	2007	2008	2009	2010	2011	2012	Total
Beginning of Year Balance	1,116	991	847	696	536	367	189	
Issuance Costs	10.8							
Total	1,127							
Principal Payment	136	144	152	160	169	178	188	1,127
Interest Payment	59.1	51.3	43.1	34.4	25.2	15.5	5.3	233.7
Total Debt Service	195	195	195	194	194	194	194	1,360
F&U	2.0	1.9	1.9	1.9	1.9	1.9	1.9	13.6
Net Revenue Requirement	197.0	196.8	196.5	196.3	196.1	195.8	195.5	1,374

Table 8

Bond Savings Before Other Costs Worst-Case Tax Scenario

(Millions of Dollars)

Without Issuance Costs			0.09						
Reg. Asset Revenue Requirement	2005 462	<u>2006</u> 477	2007 491	2008 507	2009 525	2010 545	2011 567	2012 593	<u>Total</u> 4,167
Rev. Req. 1st Series of Bonds Rev. Req. 2nd Series of Bonds IRS Interest	410	278 195 60	278 195	278 195	277 194	277 194	277 194	276 194	2,351 1,361
Net Bond Revenue Requirement	410	533	473	472	472	471	471	470	3,771
Annual Savings from Bonds Cumulative Annual Savings	52 52	-56 -4	18 15	34 49	53 102	74 176	97 273	123 396	396
Present Value of Annual Savings @ 9.0%:	47.5	-46.9	14.2	24.4	34.4	43.9	53.0	61.8	232.4
West 1									
With Issuance Costs			0.09						
Reg. Asset Revenue Requirement	2005 462	<u>2006</u> 477	0.09 2007 491	2008 507	2009 525	2010 545	2011 567	2012 593	<u>Total</u> 4,167
			<u> 2007</u>						
Reg. Asset Revenue Requirement Rev. Req. 1st Series of Bonds Rev. Req. 2nd Series of Bonds	462	477 280 197	2007 491 279	507 279	525 279	545 279	567 278	593 278	4,167 2,365
Reg. Asset Revenue Requirement Rev. Req. 1st Series of Bonds Rev. Req. 2nd Series of Bonds IRS Interest	462	280 197 60	2007 491 279 197	507 279 197	525 279 196	545 279 196	567 278 196	593 278 196	2,365 1,374

Table 9 Present Value of Certain Bond-Related Costs

Upper Range of Costs	i								
Year	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
Service Fee	\$906,322	\$3,660,750	\$3,660,750	\$3,660,750	\$3,660,750	\$3,660,750	\$3,660,750	\$3,660,750	\$26,531,572
Bond Trustee Fee	\$15,000	\$15,000	\$15,000	\$15,00 <u>0</u>	\$15,000	\$15,000	\$15,000	\$15,000	\$120,000
Subtotal	\$921,322	\$3,675,750	\$3,675,750	\$3,675,750	\$3,675,750	\$3,675,750	\$3,675,750	\$3,675,750	\$26,651,572
Discount Factor	1.000	1.090	1.188	1.295	1.412	1.539	1.677	1.828	
Present Value									
as of 1/1/2005	\$921,322	\$3,372,248	\$3,093,805	\$2,838,353	\$2,603,994	\$2,388,985	\$2,191,730	\$2,010,761	\$19,421,199

Assumptions

Service Fee and Bond Trustee Fee Paid on January 1st of Each Year.

Annual Servicing Fee = 0.05% the First Year and 0.125% in All Other Years Multiplied by the Amount of Bond Principal Shown in Tables 2 and 3.

Third-Party Servicer Begins Billing, Collecting, and Remitting the DRC on January 1, 2005, and Ends on December 31, 2012.

Bond Trustee Fees Estimated by PG&E.

Discount Factor = 9%, the Same as Used by PG&E in A.04-07-032 to Determine the NPV of the Bond Benefits.

Lower Range of Cost	<u>s</u>								
Year	<u>2005</u>	<u>2006</u>	<u>2007</u>	2008	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
Service Fee	\$906,322	\$1,464,300	\$1,464,300	\$1,464,300	\$1,464,300	\$1,464,300	\$1,464,300	\$1,464,300	\$11,156,422
Bond Trustee Fee	\$15,000	\$15,000	\$15,000	<u>\$15,000</u>	<u>\$15,000</u>	<u>\$15,000</u>	\$15,000	\$15,000	\$120,000
Subtotal	\$921,322	\$1,479,300	\$1,479,300	\$1,479,300	\$1,479,300	\$1,479,300	\$1,479,300	\$1,479,300	\$11,276,422
Discount Factor	1.000	1.090	1.188	1.295	1.412	1.539	1.677	1.828	

Present Value as of 1/1/2005 \$921,322 \$1,357,156 \$1,245,097 \$1,142,291 \$1,047,973 \$961,443 \$882,058 \$809,228 \$8,366,570

Assumptions

Service Fee, Bond Trustee Fee, and Issuance Costs Paid on January 1st of Each Year.

Annual Servicing Fee for All Years = 0.50% of the Amount of Bond Principal shown in Tables 2 and 3.

Bond Trustee Fees Estimated by PG&E.

Discount Factor = 9%, the Same as Used by PG&E in A.04-07-032 to Determine the NPV of the Bond Benefits.

	Worst Case 1	Worst Case Tax Scenario		
	Upper Range	Lower Range		
Present Value of Bond				
Benefits with Issuance Costs	\$213,846,560	\$213,846,560		
Less: Present Value of Other Costs	\$19,421,199	\$8,366,570		
Net Present Value	\$194,425,361	\$205,479,990		

	Upper Range	Lower Range
Nominal Value of Bond		
Benefits with Issuance Costs	\$368,425,215	\$368,425,215
Less: Nominal Value of Other Costs	\$26,651,572	\$11,276,422
Net Nominal Value	\$341,773,643	\$357,148,793